

# S O C I A L S E C U R I T Y T O D A Y

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## SOCIAL SECURITY LEADS THE NATION'S COMPUTERS INTO 21ST CENTURY

Social Security is at the forefront of a government-wide effort to make computers even smarter as we approach the 21st century.

Smart as they are, computers store dates in a 2-digit format, and when the century changes, they'd assume that "00" means the year 1900 instead of the year 2000. As a result, numbers based on dates would be incorrect. For example, subtracting December 31, 1995, from December 31, 2005, to determine someone's age would produce the incorrect answer of "minus 90" instead of the correct answer of 10.

Social Security depends heavily on computer operations. Over 30 million

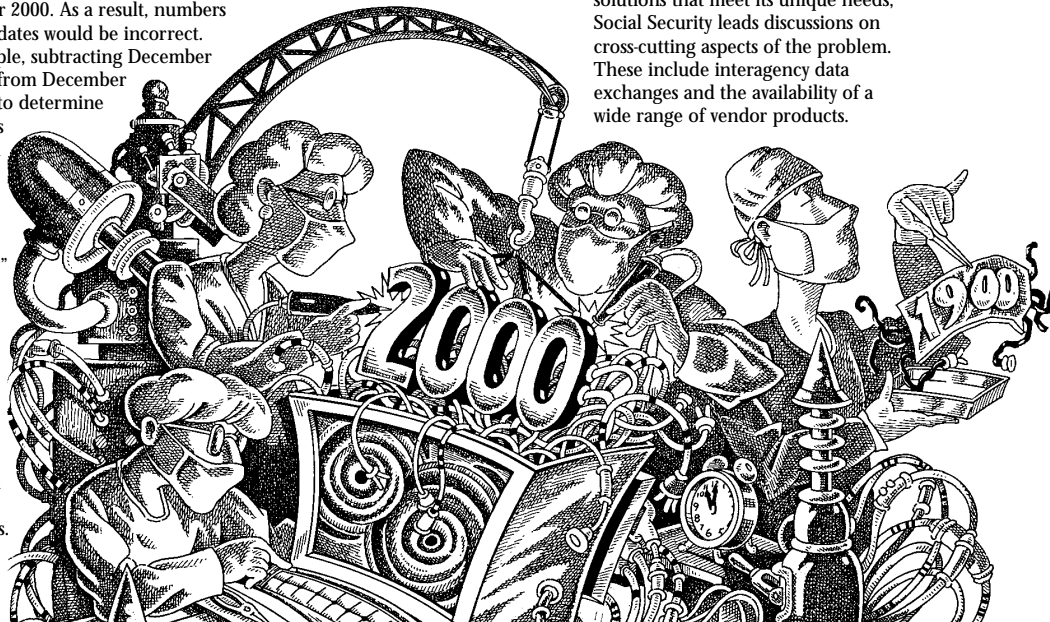
lines of software now in use are date-sensitive. In addition, many forms are printed with dates. Social Security began working to convert its computers in 1989 to process dates using four digits, which will solve the problem. It expects to have its computers converted to a four-digit standard by 1998. Because of its expertise, the President asked the Social Security Administration to lead government agencies in identifying strategies to deal with the year 2000 computer systems issue that will affect federal agencies and the private sector.

The 2-digit format is an old industry standard and was used because computer pioneers did not

know it would last until the new century. Also, in earlier years, computer storage space was too precious to devote four digits to designate the year.

The turn of the century poses an enormous challenge for the data processing community in every federal, state, local, public, and private sector business and organization around the world. Unfortunately, there is no universal quick-fix that will solve everyone's problems. The code in every computer system will have to be converted line-by-line. This is very labor-intensive, and very costly.

While each organization must find solutions that meet its unique needs, Social Security leads discussions on cross-cutting aspects of the problem. These include interagency data exchanges and the availability of a wide range of vendor products.



## GUARDIANS OF THE PUBLIC TRUST

As an independent agency, the Social Security Administration (SSA) took over new responsibilities for stewardship of the Social Security trust funds. One result: the agency's efforts to combat fraud are enhanced.

When Social Security was part of the Department of Health and Human Services (DHHS), the HHS Office of the Inspector General carried out the job of investigating allegations of fraud and abuse of Social Security programs. On March 31, 1995, SSA became an independent agency and assumed responsibility for these functions with the creation of its own Office of the Inspector General (OIG.)

In preparation for the significant job of protecting the integrity of our programs, SSA's OIG will hire approximately 100 new investigative agents to work in offices around the country to handle the significant volume of fraud referrals it receives. During a recent month, investigators received almost 270 allegations of fraud, waste, abuse or mismanagement in Social Security programs. Recently, an SSA fraud hotline was unveiled to provide an additional means by which the public and SSA employees can report suspected instances of fraud. The hotline is available for live operator assistance from Monday through Friday from 10 a.m. to 4 p.m. EST. Recorded messages are

available 24 hours a day. The hotline number is 1-800-269-0271. In addition, an address is available for reporting suspected fraud for those who choose not to use the hotline. The address is: Social Security Administration, Office of the Inspector General, P.O. Box 17768, Baltimore, MD 21235.

Social Security's OIG is committed to deterring, preventing, detecting, and prosecuting fraud with whatever means are necessary to guarantee the protection of taxpayer dollars against those elements of society that would attempt to defraud the Social Security and Supplemental Security Income programs.

# MEET A BENEFICIARY

Emma Riley

## FUTURE BRIGHTER FOR DEAF CHILD

Emma Riley, now 4 years old, was born deaf. Her parents, Jeff and Christy, were themselves barely out of adolescence. They found the problems associated with caring for a disabled child too heavy for their fragile marriage. They divorced, and with Emma's mother earning a minimum wage salary and her father able to provide only modest child support, they were uncertain of where to turn for help.

Friends told them about the Supplemental Security Income (SSI) program. SSI pays monthly checks to people who are 65 or older, or blind, or have a disability and who don't own much or have a lot of income. Under SSI, disabled children also can collect benefits if they have a physical or mental problem that qualifies under the Social Security program. People who get SSI usually get Medicaid, too, which helps pay doctor and hospital bills.

Emma's mother, Christy, applied for SSI in April 1993 at her local Social Security office in Ironton, Ohio. "I was unsure what I needed to do or what evidence I had to provide," Christy said, "but the Social Security representative explained everything very carefully and patiently."

In May 1993, Emma received her first SSI check and in August 1993 became

eligible for Medicaid benefits.

"It seemed like a god-send," Christy says. "Neither her father nor I had medical insurance and money was very tight. I don't know how we would have managed without SSI."

Today, Emma is no longer receiving SSI because her family's financial picture has brightened. Emma attends special classes that teach her sign language and she will be mainstreamed into the local school system when she begins kindergarten next year. "I have great hopes for Emma's future. I tell her that she can be anything she wants to be.

And the SSI program was there when we needed it to help give Emma a start toward realizing a brighter future."

## HIGHER EARNINGS, HIGHER BENEFITS

Over two million Social Security beneficiaries received an early benefit increase in their December 3 payment. When people work after they begin receiving benefits, Social Security automatically recomputes their earnings record, and those additional earnings can

sometimes produce an increase in their benefit amount.

The average monthly benefit increase was \$26.23, and the average retroactive amount was \$123.59.

## WORLD-CLASS SERVICE

*New Englanders send it to the bank*

The Social Security Administration (SSA) and the Administration on Aging (AoA) recently signed an agreement to work together to deliver services to older people. Tapping into that agreement, the Boston regional offices of both agencies are jointly promoting Social Security's direct deposit program. The goal is to increase the number of people who receive their Social Security benefits through direct deposit, and to make it easier for them to do so.

Currently, in New England states,

between 51 and 79 percent of Social Security beneficiaries use direct deposit. Of those who receive Supplemental Security Income (SSI), only 15 to 41 percent use direct deposit.

SSA and AoA will jointly send direct deposit materials to Area Agencies on Aging, senior centers, and the Massachusetts Councils on Aging and Nutrition sites throughout New England. These materials will emphasize the safety, convenience, and security of having checks go directly to the bank.

Because it costs the government forty two cents to process and mail a paper check, compared to only two cents for direct deposit, taxpayers save forty cents each time someone uses direct deposit instead of a check.

Social Security's Boston regional office recently targeted its efforts in one New Hampshire county. In this county, 14,800 people receive their benefits by direct deposit. On the other hand, Social Security mails out paper checks to more than 7,400 beneficiaries and to 970 SSI recipients.

The New England Automated Clearing House Association and two county bank branches joined Social Security in a special drive to sign up more people for direct deposit. Those who sign up will find it fast, safe, and efficient. There is no need to worry about a paper check being lost, stolen, or misplaced.

Social Security's Boston regional office is working with agencies on federal, state, and local levels to provide world-class service to its clients and to taxpayers nationwide.



## COMMISSIONER'S MESSAGE



*Shirley S. Chater  
Commissioner of  
Social Security*

For the past three years, I have had the privilege of serving as the Commissioner of Social Security. It has been an exceptional and rewarding experience. However, for personal family reasons I am resigning effective January 31.

Social Security is our nation's most important domestic program. My commitment has been to fulfill our responsibilities to the working men and women who look to Social Security to help safeguard their financial future. Our priority goals have been world-class service delivery, enhanced public confidence in the program, and creation of a supportive work environment for employees. We made significant accomplishments toward these goals during my tenure.

### *World-class service.*

In 1995, Social Security's toll-free telephone service was recognized by an independent financial services firm as the best among public and private sector businesses, surpassing organizations such as Nordstrom and Disney. In fiscal year 1996, we answered 89.9 percent of our calls within five minutes. That is, within five minutes of calling our 800 number, callers received access to either an automated service or a live agent.

### *Enhanced public confidence*

As Commissioner, I have worked to enhance the public's confidence in the Social Security program, replacing alarmist rhetoric with the facts. Social Security does not face an immediate crisis. However, the sooner we begin to address the long-term financial issues that face the program, the less difficult our choices will be. I have instituted a major educational campaign to better inform the American public about the current program so they have the knowledge required to become active participants in discussions regarding its future.

### *Supportive work environment for employees*

To deliver efficient, effective, and caring service to our customers, our workforce must have a supportive environment, and the technology required to perform well. Toward this end, we committed \$1.1 billion over five years toward increased automation of local offices. Already, this has resulted in better service to the public.

I am confident that the Social Security Administration, as an independent agency, is positioned to meet the many challenges it will face in the coming years. It has been an honor to serve as its Commissioner.

## ANOTHER CHANCE FOR MEDICARE

If you're eligible for Medicare Medical Insurance (Part B) but have not yet enrolled, you'll have a chance to sign up during the annual general enrollment period that runs from January 1 through March 31, 1997. This 3-month general enrollment period will give you another opportunity to enroll if you did not do so when you were first eligible or if you dropped your coverage in the interim. If you enroll now, coverage will begin July 1, 1997.

If you did not enroll when you first were eligible, your Medicare Part B premium will be 10 percent higher than the basic monthly premium for each year you were eligible but not enrolled. For 1997, the basic monthly Medicare Part B premium is \$43.80.

If you're age 65 or older and not eligible for Medicare's premium-free Hospital Insurance (Part A) coverage, you can buy this coverage along with Part B coverage during the annual enrollment period.

People who want to sign up for Part B Medicare coverage should call their local office or Social Security's toll-free number, 1-800-772-1213 between 7 a.m. and 7 p.m. any business day.

## SOME TAXES MAY BE DUE

You should be aware that you may have to pay taxes on some of your Social Security benefits. Couples whose "combined income" is more than \$44,000 and individuals with income exceeding \$34,000 may pay income tax on up to 85 percent of their Social Security benefits. Couples whose combined income is between \$32,000 and \$44,000 may pay tax on up to 50 percent of their benefits, as will be true for individuals whose income is between \$25,000 and \$34,000. If your income is below these levels, Social Security benefits are not taxed.

The taxes are due along with other taxes you pay when you file your tax return. Because the law prohibits Social Security from withholding taxes from your benefits, you may want to file quarterly estimated tax returns and pay at that time.

(Note: "Combined income" is an individual's or married couple's adjusted gross income as reported on the Form 1040, plus one-half of the total Social Security benefits received for the year, plus nontaxable interest.)

## ONE LESS REPORT TO FILE

People who receive Social Security benefits and earn over the annual limit are spending less time filing government reports. The Social Security Administration (SSA) eliminated the annual earnings report for most Social Security beneficiaries. Instead, the earnings information their employers report on W-2s or income reported on self-employment tax returns will be used to adjust their benefits. Previously, working beneficiaries were required to report their earnings on a separate report no later than April 15. Eliminating the annual report also reduces SSA's administrative costs.

There are a few instances when a beneficiary still needs to file an annual earnings report. Generally, working beneficiaries who must meet the earnings test need to file annual reports when their actual earnings are not the same amount as those reported on their W-2 and/or self-employment tax return. Also, persons who are eligible to receive benefits under the monthly earnings test or whose situation is unusual, should call their local Social Security office to find out whether they must file an annual report.

## DISABILITY CASE REVIEWS INCREASE

In fiscal year 1996, Social Security reviewed nearly 518,000 cases of people receiving Social Security and Supplemental Security Income disability benefits to verify that they're still disabled. This is more than twice the number of continuing disability reviews conducted during fiscal year 1995, and the second largest volume of cases processed since 1983.

In 1997, a more efficient review process and additional funding from Congress will permit Social Security to substantially increase the number of case reviews of disabled adults and children. A recent law changed the definition of disability for children receiving Supplemental Security Income, and requires that

Social Security review the cases of certain children to be sure that they are disabled under the new definition. In late November and early December, Social Security notified approximately 260,000 childhood recipients about the new law and the upcoming disability review.

## PUBLISHER'S BOX

Permission to reprint articles, giving credit to the Social Security Administration, is granted. We welcome your comments and invite suggestions for future editions. Please direct your correspondence to Editor, *Social Security Today*, Room 4-I-10 West High Rise, 6401 Security Boulevard, Baltimore, MD 21235, or fax to Margaret.D.Pagan@ssa.gov. *Social Security Today* also is available at the Social Security Internet site, <http://www.ssa.gov>.

## Who's the Social Security beneficiary?

You can't tell just by looking who's getting Social Security benefits because a parent died, is disabled, or retired.

Today, 3 million kids under age 18 get monthly Social Security benefits, based on a parent's earnings. And, Social Security protects more than 70 million kids.

To learn more about Social Security, call 1-800-772-1213. Ask for the booklet *Basic Facts About Social Security*.

*P.S. It's Timmy (on the left).*



*For the times that count,  
count on Social Security.*



## MEDICARE SERVICE CENTER OPENS

If you live in or visit Philadelphia, Pa., and have a question about Medicare, you can get an answer at the country's first walk-in customer service center. The purpose of this center, called "Your Medicare Center," is to make it easier for the elderly to get information about Medicare.

Staffed by employees of the Health Care Financing Administration, which runs the Medicare program, the center will provide educational services and problem resolution. Educational services include making available materials and videos on a variety of issues including eligibility, enrollment, coverage, managed care, and long-term care.

## NEW HELP FOR SMALL BUSINESSES

The Social Security Administration (SSA) and Pitney Bowes, Inc. are testing a new way for small businesses to securely file their annual W2 and W3 information with SSA via the Internet. This method of filing could reduce the millions of paper forms that Social Security receives from small businesses at tax time each year.

The test is being coordinated through CommerceNet, an industry and government consortium promoting electronic commerce. It will provide important information on the ability to move data

securely across open networks. This information is crucial to the development of full scale customer services on open networks such as the Internet.

Social Security and Pitney Bowes will select up to 100 small businesses to participate. Each will be given the software needed to prepare its tax forms and submit them securely via the Internet. The test begins in January, when the filing season begins, and ends in March, 1997.

Staff will use several databases to help resolve problems for beneficiaries. Problems may involve issues related to claims, premiums, deductibles, quality-of-care, and dual eligibility. Staff will also handle complaints.

The center is located at level 3 in the Gallery at Market East shopping center.

## PAST DUE SUPPLEMENTAL SECURITY INCOME PAID IN INSTALLMENTS

Adults who are due more than \$5808 (not including the monthly state supplement) in retroactive Supplemental Security Income (SSI) payments, will now receive the money in installments, according to a new law. Installment payments will

- has debts for food, clothing or shelter,
- has expenses for disability related items and services,
- is purchasing a home.

The full amount of the retroactive payment — even if it exceeds \$5808 — will be paid to a person who is terminally ill. The full amount will also be paid to a person who was formerly eligible for benefits but is now ineligible and likely to remain ineligible for the next 12 months.

## PROOF OF CITIZENSHIP

When you apply for Social Security benefits you must prove your United States citizenship or lawful alien presence, according to a new law. If you were born in the U.S., your U.S. birth certificate, which serves as evidence of your age, will also serve as evidence of citizenship. If you're a U.S. citizen born outside the United States, you can prove your citizenship by presenting your Report of Birth Abroad or a U.S. passport. If you're a naturalized U.S. citizen, you can present either your Certificate of Naturalization or a current U.S. passport.

For more information about what evidence of your U.S. citizenship or lawful alien status is acceptable when you file for Social Security benefits, call or visit a local Social Security office. You also can call our toll-free number, 1-800-772-1213. Our lines are busiest early in the week and early in the month, so if your business can wait, it's best to call at other times.

## NEW WELFARE REFORM FACTSHEETS

If you need information about recent welfare reform legislation, there's a new fact-sheet *Supplemental Security Income For Noncitizens* available from Social Security. The factsheet explains how the new laws change the way we pay Supplemental Security Income (SSI) benefits to noncitizens. The new laws apply to people who are already receiving SSI payments and to people who are applying for payments.

The factsheet is available in the following five languages for non-English speaking people: Spanish, Russian, Vietnamese, Korean, and Chinese.

Also available is the factsheet,

*A New Definition of Disability for Children.*

This factsheet, in English and Spanish, describes how the law changes the definition of disability for children under the SSI program.

To order a free copy of *Supplemental Security Income for Noncitizens* or *A New Definition of Disability for Children*, call Social Security's toll-free number, 1-800-772-1213. All versions of the factsheets are also available on the Internet server at <http://www.ssa.gov>.



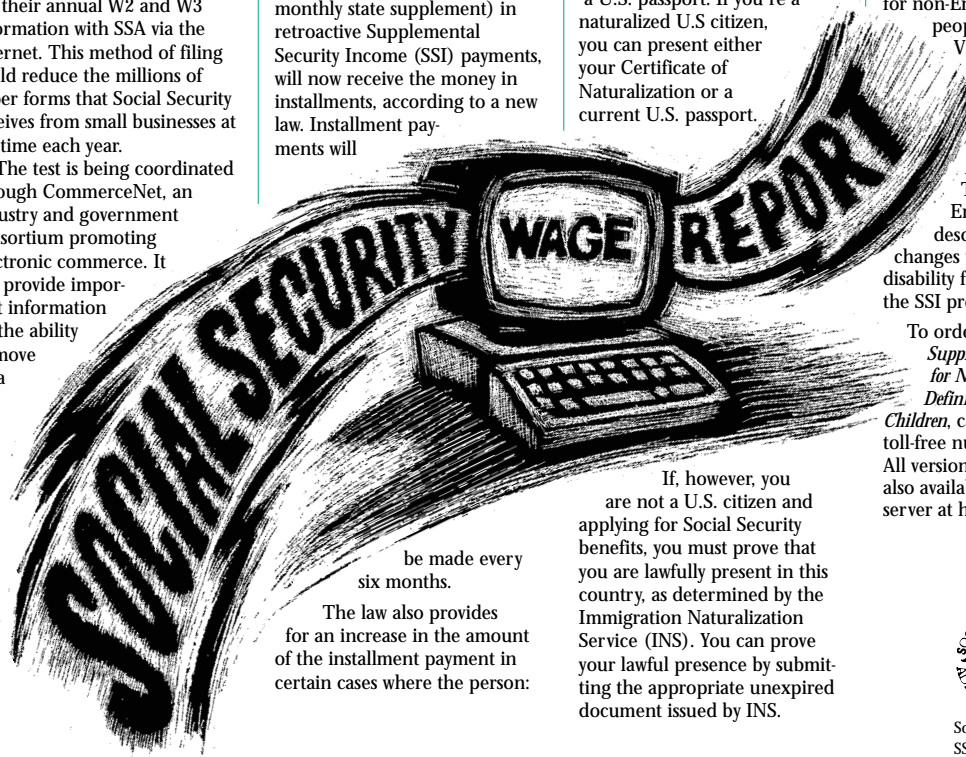
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be made every six months.

The law also provides for an increase in the amount of the installment payment in certain cases where the person:

If, however, you are not a U.S. citizen and applying for Social Security benefits, you must prove that you are lawfully present in this country, as determined by the Immigration Naturalization Service (INS). You can prove your lawful presence by submitting the appropriate unexpired document issued by INS.